

# Setting up a Business in the UK

When setting up a business in the United Kingdom there are many factors to consider, including the type of law firm you should be working with.

## A choice of structure

- Private company limited by shares\*
- Private company limited by guarantee (for clubs & charities)
- Public limited company
- Sole trader
- Partnership
- Limited liability partnership

## Company's officers

- Director: a private company limited by shares must have at least one director
- Company Secretary: no longer compulsory unless it is a public limited company
- Details of the company's officers are available to the general public via Companies House
- Directors have duties to the company

## Company's name

- Does the name already exist?
- Sensitive words, restricted words
- Check Companies House online
- Do you have a brand to protect?
- Have you already been using the name?

## Company's constitution

- Memorandum of Association – a short standard statement, publicly available
- Articles of Association – publicly available
  - Model Articles – standard precedent document that may not suit every business
  - Bespoke – drafted to suit your particular business model, they are tailor-made to fit
  - Shareholder's Agreement – regulates the rights & obligations of the shareholders – not publicly available



Set up your business in Britain ...  
...specialist help and advice at every step

## Shareholders

- Minimum one shareholder
- Shareholders' agreement - drafted to suit your particular business; regulates the relationship between the shareholders; optional but sensible to have

## Formalities of incorporation

- Application form
- Correct fee
- Correct documents
- Paper/online filing

## Companies House

- Companies incorporated in England & Wales only
- Similar companies' registries exist in other parts of the United Kingdom

## Legal advice

- Which business model will be best for you?

## Accountant's advice

- Tax efficient?

# Commercial Property

How can you acquire a commercial property in the United Kingdom?

Method	Some of the advantages	Some of the disadvantages
BUYING	<ul style="list-style-type: none"><li>You own the property</li><li>You can rent it out (in most cases)</li><li>You can alter the property (subject to complying with various legislation)</li></ul>	<ul style="list-style-type: none"><li>If you need the capital, disposing of the property may take some time</li><li>Stamp duty</li></ul>
RENTING/LEASING	<ul style="list-style-type: none"><li>More flexibility – you can negotiate with the landlord (e.g. lease term, break clause)</li><li>Stamp duty</li></ul>	<ul style="list-style-type: none"><li>You are required to comply with the provisions of the lease and the landlord has remedies against you if you fail to comply with the provisions of the lease</li><li>Various prohibitions in the lease on what you can do with the property</li></ul>

## Types of tenure

- Freehold property
- Leasehold property
  - Long leases
  - Shorter leases

## Purchase/Lease of a property other considerations

- VAT payment
- SDLT/Stamp duty payment
- Surveys
- Searches

## Heads of agreement/Heads of terms

- Speak to your solicitor before you commit yourself

Contact us on **0121 698 2200** or one of our commercial team for further help and advice.

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\*This leaflet concentrates on the private company limited by shares only, further advice can be provided on other types of the companies.

The content of this leaflet is only intended for information and does not constitute legal advice. Accordingly you should seek specialist legal advice before acting on any information contained in this leaflet.